

An Outsider's Perspective



Why This? Why Now? Why Here?



- Hawaii's strategic location in the Pacific
- Strategic role of the Pacific Fleet and DOD bases in Hawaii
- Central role of agriculture in Hawaii's economy historically
- Need for new fuel sources for defense and industry
- Importance of self-sufficiency for the state

Location



- Farthest place from anywhere, dependence on imports means higher value for anything that replaces those imports (better cost/benefit)
- Westernmost US state
- “Forward” location on US western flank for both defense and offense
- Analog to/for other Pacific and island nations (empathy factor as well as economic parallels)

US Maritime Strategy



- Key Features
 1. Forward presence
 2. Deterrence
 3. Sea control
 4. Power projection
 5. Maritime security
 6. Humanitarian aid
- Nos. 3 & 5 relate to globalization and free trade

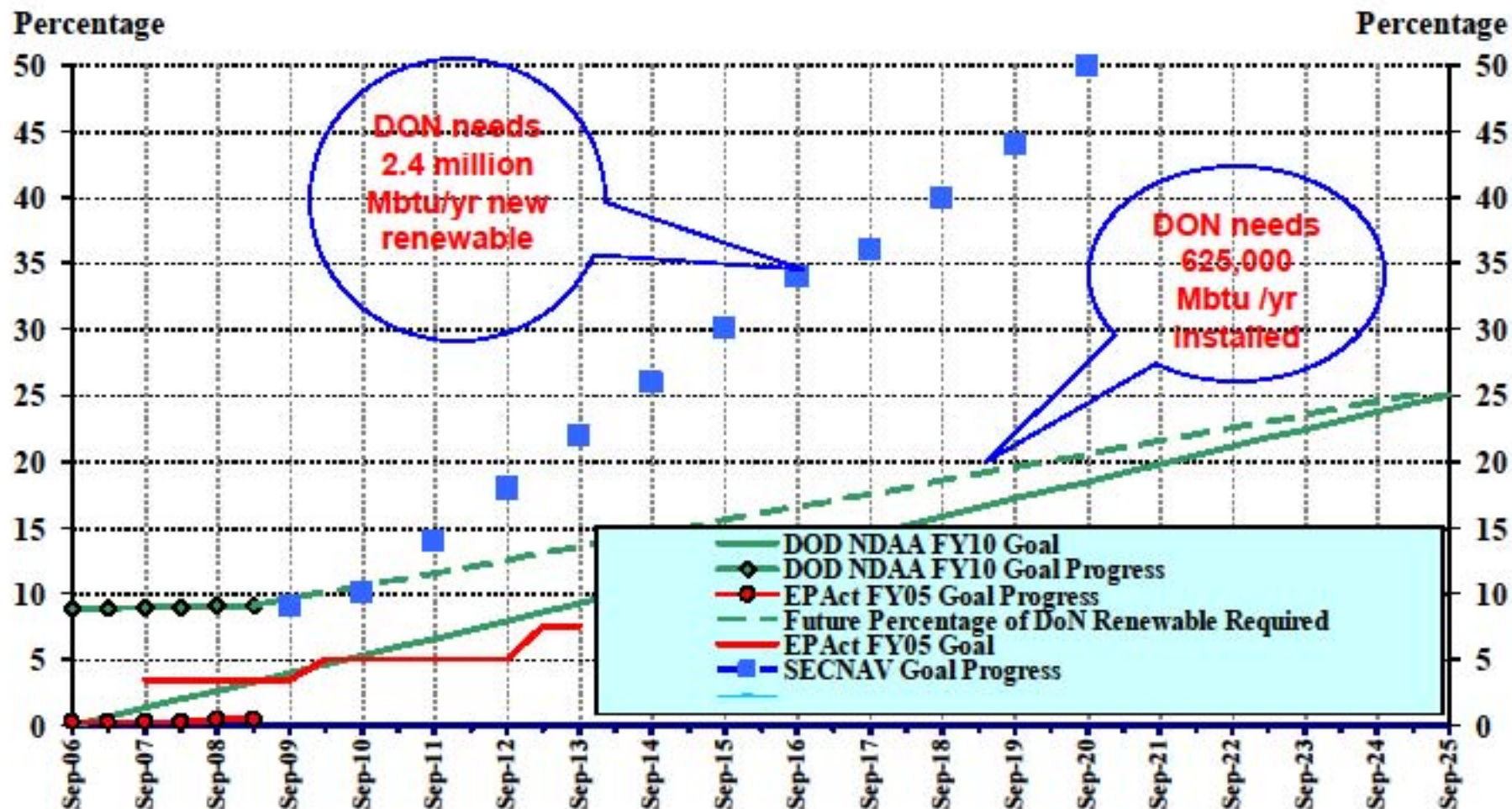


Geopolitical Rationale



- Globalization creates interdependencies.
- A key one is reliance on oil supplies concentrated in the Middle East, especially for Pacific Rim nations
- Disruption of supplies can cripple both navies and economies
- Diversity of supply is insurance against supply disruptions, as well as insulation against volatile prices.
- It may also avoid conflicts with growing nations that are trying to “corner” existing supplies.

Percentage of Energy from Renewable Sources



Fueling the Fleet?



- To get to 50%
 - Need on-site renewables to meet facility needs (SW Div Solar RFP, Hawaii Solar MAC, Navy Geothermal program)
 - Need fuel for all fleets (maritime and land)
 - Need fuel for aircraft
- Civilian needs are greater than military
- Hawaii Clean Energy Initiative has 70% goal -- So they have the SAME needs
- AF need is ~ 10% of commercial need, so they have joint MOU for that as an example of potential Navy role

Keep the Country in the Country



- There is more to cane plantations than just cane.
 - Crop research as well as management
 - Road building and maintenance
 - Development and maintenance of an extensive, irreplaceable irrigation and water management system
 - Factory jobs processing cane as well as maintaining the factories themselves
- The scale of cane farming brings down the cost of farming goods and supplies for all farmers.
- Agriculture is part of Hawaii's history since 1800s.
- What would it be without it? No good options that provide jobs and preserve the land and water.

Navy Role



- Civilian needs are greater than Navy's
 - Use more fuel and energy
 - Need to preserve and expand Ag base
- Private sector needs to provide land, labor, and capital for fuel production infrastructure
- Navy can be a buyer, but it can't be the entire market
- Possibilities? Navy can be a lead buyer, can provide market stability, create a strategic context for an industry in Hawaii, can facilitate development of military market among allies in the Pacific.